

Agricultural Outlook Forum

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CHALLENGES TO U.S. – AFRICA TRADE

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GANTEC'S EXPERIENCE WITH AGOA

Richard Olson
President GANTEC Inc.

Bio: Richard A. Olson is the President and co-founder of GANTEC Inc. located in Midland, MI. Ric is also the owner and Chief Steward of Environmental Partnerships, LLC which provides strategic regulatory advice to major corporations, as well as support to US government and non profit organizations. Ric and other international business owners started International Business Investing and Consulting Company (IBICC). One of the goals of this company is to bring economic and environmental development to underdeveloped nations. IBICC has evaluated and made some investment in projects in Mauritania, Tonga, Fiji, Indonesia and Nepal. Mr. Olson worked for 24 years with Dow Chemical Company in the environmental health and safety area. Ric was a Dow representative on President Clinton's Council on Sustainable Development, and the World Business Council on Sustainable Development. He is a graduate of Augustana College with a B.A. in Chemistry. He received his M.S. in Environmental Health from the University of Minnesota.

Speech: Thank you for the opportunity to speak at the USDA Ag Outlook Forum 2006. My topic is GANTEC's experience with the African Growth and Opportunity Act (AGOA). First, some background information on our company will be provided followed by some comments on our experience with AGOA and finally some suggestions for improvement which may enhance business in Africa and the US.

GANTEC is a chemical, technology, and natural products company headquartered in Midland, Michigan which is focused on producing high quality, high value natural products from the Neem and other trees. GANTEC is an acronym for Green Africa Neem TEchnology. The genesis of GANTEC began in 2001 following a business development trip to Mauritania. The need for economic opportunity, environmental improvement and community development in this part of the world was recognized by the founders of this company. These became the triple bottom line as GANTEC evolved from 2001-2004. During this time the business model and technology opportunities for neem were explored. There was a basic recognition of opportunity that neem presented in this part of the world. In 2004 the founding core team developed and the business was incorporated in 2005. In 2005 GANTEC validated the supply of neem and technology to produce neem based materials. 2006 finds GANTEC in the development of partnerships.

The vision of GANTEC is to develop profitable businesses that will provide growing market opportunities at home and abroad; growing & sustainable economic returns; environmental improvement; and community development. GANTEC fuses chemical

processing know-how to emerging opportunities

The business intent of GANTEC is to unleash the safe and sustainable benefits of natural products to markets worldwide. GANTEC develops increasingly effective and proprietary means for producing, applying, formulating, marketing and distributing natural products. GANTEC develops intellectual property to support and expand the usage of Neem and other natural products. GANTEC develops new products and applications to help customers effectively use neem.

GANTEC is the latest chapter in the story of several individuals with a lifetime of experience in science & technology; business & organizational development; product & process development; discovery, innovation & commercialization; and community involvement & development.

Neem is a tree which produces fruit and is indigenous to India. It has been a part of the culture there for thousands of years. It is considered the “village pharmacy” in India. There are about 10-20 million mature neem trees in India which have significant utilization. One estimate was about 35% utilization of neem trees in India. In 1992 the US National Research Council book published entitled “Neem, the tree for solving global problems”. This book provides excellent documentation of the many uses of neem.

In Africa neem trees are abundant. They have been introduced in last 100 years and have proliferated Africa. There are now estimated to be 100's of millions neem trees in Africa. The trees are underutilized (<5%). The neem tree grows well in Sub-Saharan Africa.

GANTEC is interested in neem because it has demonstrated value in human health & disease treatment; animal health; insect control; and plant protection & yield improvement. Nearly all of the Neem Tree has beneficial use. The fruit is olive-like and contains neem seeds. The pulp has been used as a soil supplement and animal feed. The seed contains high-value oil and extracts. The oil can be effective in controlling mosquito, locust and other insects. The leaves have been used as nutraceuticals and to make tea. This tea is reputed to be used to prevent and treat malaria. The leaves have been used as topical treatments for wounds and skin disease. The bark has some wound-healing and anti-viral uses. The wood is a beautiful, high strength hardwood which is used for furniture and artistic works.

GANTEC has developed our in operations in Senegal because of the neem resource existing there. There are an estimated 20-30 million trees in Senegal which are under-utilized. The people of Senegal are competitive and hard working. The communities tend to be stable independent villages. The politics of Senegal are fairly stable. There has been a successful democratic transition of power. President Wade has publically expressed a desire to expand international trade and introduce and increase the use of biopesticides. The Senegal government is stable and business friendly. Senegal presents a low-cost transport option to the US and Europe. The business is sustainable

with NGO support and economic stability. Finally, the vision of founders of GANTEC desire to make a difference in Africa.

GANTEC will measure its long-term success by its economic profit, and its effectiveness in delivering increasingly effective tools, technologies and products that provide for sustainable growth & increased benefits worldwide. We will produce attractive economic returns to our shareholders. We will provide sustainable local economic, community and environmental development in GANTEC-affiliated communities worldwide.

The environmental improvements enabled through neem include safer alternatives to dangerous, banned or phased out chemicals- used for insect and nematode control. Complex extracts of neem can be applied to plants and soils to provide both pest control and fertilizer (biodegradable). Purchases of neem seed drive increased tree planting and growth in Africa and beyond. The use of neem oil and biomass enhances topsoil, plant growth and provides expanded erosion control options.

Community development is enabled through this neem business by job creation at village level. This business will reinforce family and village relationships in Sub Saharan Africa. It will assist in development of local pest management control systems and build cross cultural relationships.

GANTEC is a 21st century business applying 21st century technology to solve 21st century problems for the generations to come.

GANTEC believes that AGOA has helped to bring attention to Africa. This focus on Africa has helped gain interest of people and organizations. This has fostered the development of technology and a financial base for business investment and growth. AGOA has sponsored Forum which have provided excellent networking and communication opportunities. I spoke at the AGOA Forum in Dakar in 2005. Many nations in Sub Saharan Africa have neem trees and desire to see economic opportunity, environmental improvement and community development.

GANTEC is encouraged that AGOA has helped to reduce trade barriers between Africa and the US. It is easier to import neem seed to the US now then before AGOA. The establishment of the West Africa Trade Hub in Dakar is more convenient to our business. The US government has put a focus on Africa which makes it easy to conduct business in Africa and with African nations.

There are some additional opportunities for AGOA, or others which GANTEC would like to see considered. It would be very helpful to have the US and the African countries set up an ombudsman to work through bureaucracies in the African countries and US. The process of setting up a business, exporting, importing and permitting is daunting. There are so many regulatory agencies in the process that it is very slow, costly and cumbersome. USDA- APHIS, EPA, FDA, Department of State, Department of Commerce, other agencies.

It would be helpful to identify systemic barriers for businesses in countries and suggest solutions to these barriers- some barriers are corruption and bribery. Many people have to sign off on shipments both in and out of countries, which provides opportunity for corruption. I don't have specific suggestions how to deal with these systemic issues, it is very complex. However, recognition that they exist and have a negative impact on development is a start to dealing with them. GANTEC would like to see financial support for development of US businesses in Africa. Start up companies take considerable risk in development of business in Africa. Some type of grant or financial guarantee to assist in start up companies would be very helpful. The challenge for GANTEC is the transaction costs of this type of support is high and we have limited time and money. Perhaps a private sector support office with multi agency authority would be helpful.

In conclusion, GANTEC is supportive of AGOA because it has helped focus attention on Africa. GANTEC would recommend that AGOA could enhance effectiveness with an ombudsman and suggestions to reduce barriers to development. Thank you for your attention.

USDA AG FORUM 2006

African Growth & Opportunity Act
and Agriculture: Trade Works
February 16, 2006

GANTEC and AGOA

- GANTEC overview
- Benefits of AGOA
- Improvement opportunities

GANTEC Overview

- GANTEC is a chemical, technology, and natural products company headquartered in Midland, Michigan
- Focus is on producing high quality, high value natural products from the Neem and other trees.
- Timeline
 - 2001-2004: Business and technology exploration- basic recognition of opportunity
 - 2004-2005: Founding core team develops
 - 2005: Business inception & incorporation
 - 2006: Validation of supply and technology, development of partnerships

GANTEC Vision & Purpose

The vision of GANTEC is to develop profitable businesses that will provide:

- **Growing market opportunities at home and abroad**
- **Growing & sustainable economic returns**
- **Environmental improvement**
- **Community development**

GANTEC fuses chemical processing know-how to emerging opportunities

GANTEC Business Intent

- GANTEC seeks to unleash the safe and sustainable benefits of natural products to markets worldwide.
 - GANTEC develops increasingly effective and proprietary means for producing, applying, formulating, marketing and distributing natural products
 - GANTEC develops intellectual property to support and expand the usage of Neem and other natural products
 - GANTEC develops new products and applications to help customers effectively use neem

GANTEC Experience

- GANTEC is the latest chapter in the story of several individuals with a lifetime of experience in
 - science & technology
 - business & organizational development
 - product & process development
 - discovery, innovation & commercialization
 - community involvement & development

What is Neem?



What is Neem?

- Neem is a tree which produces fruit
- India use as “village pharmacy”
 - Thousands of years
 - 10-20 million neem trees in India significant utilization
- US National Research Council book published in 1992 “Neem, the tree for solving global problems”
- Africa neem trees abundant
 - Introduced in last 100 years
 - 100's of millions neem trees
 - Underutilized (<5%)
 - Sub-Saharan Africa, grows best in semi-arid climate



Why Neem?

- Traditional and widespread use of Neem in India
- Neem has demonstrated value in
 - ✓ human health & disease treatment
 - ✓ animal health
 - ✓ insect control
 - ✓ plant protection & yield improvement

What Parts of the Neem Tree are used?

- Fruit (olive-like)
 - Pulp- soil supplement and feed
 - Seed- high-value oil and extracts
 - Oil- mosquito, locust and insect control
- Leaves--nutraceuticals
 - Tea used to prevent and treat malaria
 - Topical treatments for wounds and skin diseases
- Bark
 - Wound-healing and anti-viral uses
- Wood
 - Beautiful, high strength hardwood
 - Used for furniture and artistic works



Why Senegal?

- Resources: 20-30 Million trees under-utilized
- People: Competitive, Hard working
- Community: Stable independent villages
- Political: Successful democratic transition
 - ✓ President Wade desire to expand international trade and introduce and increase the use of biopesticides
 - ✓ Senegal government stable and business friendly
- Transport: Low-cost transport to US & Europe
- Sustainability: NGO support; economic stability
- Vision of founders

Looking Toward a Profitable Future

GANTEC will measure its long-term success by its economic profit, and its effectiveness in delivering

- Increasingly effective tools, technologies and products that provide for sustainable growth & increased benefits worldwide
- Attractive economic returns to shareholders
- Sustainable local economic, community and environmental development in GANTEC-affiliated communities worldwide

Environmental Improvements Enabled Through Natural Products

- Safe alternatives to dangerous, banned or phased out chemicals- used for insect and nematode control
- Complex extracts applied to plants and soils provide both pest control and fertilizer (biodegradable)
- Fruit purchases drive increased tree planting and growth in Africa and beyond
- Use of neem oil and biomass enhances topsoil, plant growth and provides expanded erosion control options

Community Development Enabled Through Natural Production

- Job creation at village level
- Reinforce family and village relationships in Sub Saharan Africa
- Assist in development of local pest management control systems
- Building cross cultural relationships

GANTEC....

A 21st Century Business

...applying 21st Century Technology

...to solve 21st Century problems,

...for the generations to come!

GANTEC and AGOA

- Focus on Africa helps gain interest of people and organizations- technology, finances
- Forum provide networking and communication opportunities- AGOA 2005

GANTEC and AGOA

- Reduction in trade barriers- easier to import neem seed to the US
- West Africa Trade Hub in Dakar is more convenient to our business

Opportunities for AGOA

- Ombudsman to work through bureaucracies in Africa and US
- Identify systemic barriers for businesses in countries and suggest solutions to these barriers
- Financial support for development of US businesses in Africa

Summary

- AGOA has helped GANTEC by focusing attention on Africa
- AGOA could enhance effectiveness with ombudsman and suggestions to reduce barriers to development